

## Message Text

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17

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 H-02 PA-02 PRS-01 L-03 /101 W

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R 081948Z JUL 76

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 401

UNCLAS OTTAWA 2778

E.O. 11652: N/A

TAGS: EFIN, CA

SUBJ: FEDERAL/PROVINCIAL FINANCIAL ARRANGEMENTS

REF: A. OTTAWA 2681; B. OTTAWA A-391, JULY 9, 1976

1. PROVINCIAL FINANCE MINISTERS MET WITH FEDERAL FINANCE MINISTER MACDONALD JULY 6-7 TO DISCUSS IN DETAIL FEDERAL GOVERNMENT'S PROPOSALS TO CHANGE ITS CONTRIBUTIONS TO HOSPITAL INSURANCE, MEDICARE AND POST-SECONDARY EDUCATION PROGRAMS. MEETING WAS FOLLOW-UP TO FIRST MINISTERS MEETING LAST MONTH WHEN PM TRUDEAU GAVE GENERAL OUTLINE OF FEDERAL PROPOSALS (REFTEL A).

2. MACDONALD PROVIDED PROVINCIAL MINISTERS WITH FOUR DIFFERENT OPTIONS FOR IMPLEMENTATION OF FEDERAL PROPOSALS AND GAVE THEM SPECIFIC FIGURES FOR FEDERAL TRANSFER PAYMENTS UNDER EACH OPTION. ACCORDING MEDIA ACCOUNTS OF MEETING, PROVINCIAL OFFICIALS WERE NOT HAPPY WITH ANY OF MACDONALD'S OPTIONS, AND ONTARIO FINANCE MINISTER PRESENTED ALTERNATE PROPOSAL WHICH DID NOT ELICIT MUCH SUPPORT FROM OTHER PROVINCES.

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3. PRESS REPORTED PROVINCIAL MINISTERS MORE INTERESTED  
IN DISCUSSING FEDERAL GOVERNMENT'S DECISION TO CEASE  
REVENUE GUARANTEE PROGRAM EXPIRING IN MARCH 1977 THAN  
IN REVIEWING MACDONALD'S OPTIONS ON SHARED-COST PROGRAMS.  
MEETING ENDED EARLY WITHOUT ANY AGREEMENT. FINMIN  
MACDONALD TOLD PARLIAMENT JULY 7 THAT ADDITIONAL  
MEETINGS OF "TECHNICAL EXPERTS" WOULD OCCUR  
DURING SUMMER MONTHS AND FINANCE MINISTERS WOULD  
MEET AGAIN BEFORE FIRST MINISTERS MEETING IN NOVEMBER  
TO DISCUSS SUBJECT.

4. REFAIRGRAM ENCLOSING COPIES OF MACDONALD'S REMARKS  
TO MEETING AND TABLES OF FIGURES ON FEDERAL CONTRIBUTIONS  
TO PROGRAMS BEING POUCHED.  
ENDERS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 JUL 1976  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**TAGS:** EFIN, CA, (MACDONALD)  
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